

PORTFOLIO OF EVIDENCE

QUESTION 4

GOPM 521



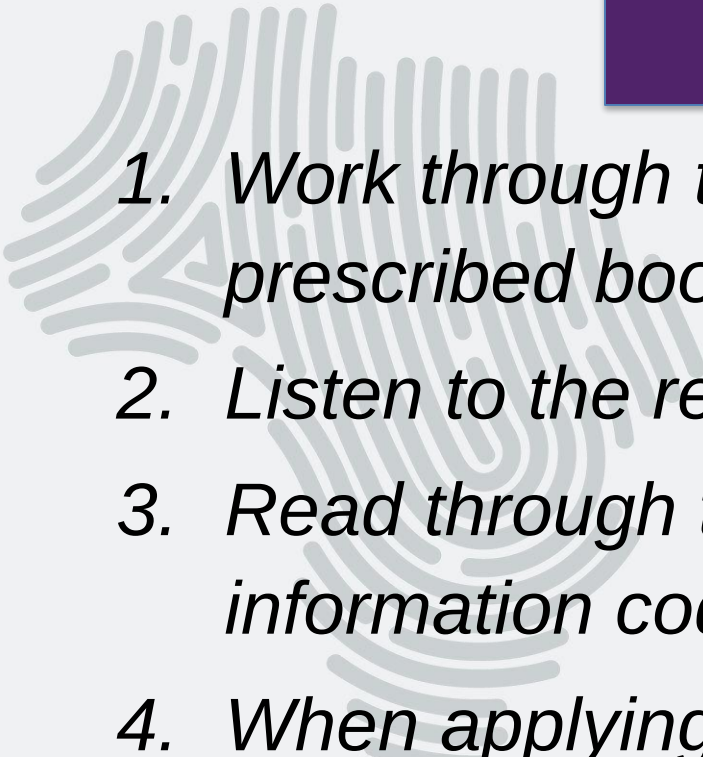
CLASS EXERCISE

Susan wants to do an inventory analysis on the favourite products of W & T Distributors. The yearly demand for the product is 3 000 units, unit costs amount to R100 and the carrying costs are 20% of the unit price. Ordering costs amount to R20 per order and the lead time is 10 days (assume the year consists of 50 weeks and 1 week = 5 days). Lots must be rounded to 1.



INFORMATION

1. **D = Demand**
2. **C = Carrying costs**
3. **P = Unit cost**
4. **O = Ordering cost**
5. **SS = Safety stock**
6. **L = Lead Time**
(Number of weeks/Days)

A large, faint, stylized fingerprint graphic is visible in the background on the left side of the slide.

STEPS TO FOLLOW

- 1. Work through the applicable chapter in your prescribed book.*
- 2. Listen to the recording of Dr Jordaan*
- 3. Read through the class exercise and use the information codes provided in the slides*
- 4. When applying slide 2 and 3, attempt to solve the problem indicating all the steps*

RUBRIC FOR INVENTORY



Name and Student number	
One mark for each step (Memo will be given after submission date)	10 x 2
TOTAL	/20

The closing date is
indicated on the calender

